VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

Whole Earth Truck Store, Division of
Portola Institute
Financial Statement
July 31, 1971
(Unaudited)

VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

175 S. SAN ANTONIO ROAD
LOS ALTOS, CALIFORNIA 94022

TELEPHONE: (415) 948-1001

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Exhibit 1

Whole Earth Truck Store, Division of
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July 31, 1971
(Unaudited)

Assets

Current assets:		
Cash - Bank of California		$ 27,645.11
Accounts receivable - trade	$ 851.24	
- Other	928.20	1,777.44
Inventory at estimated cost		35,875.39
Prepaid expenses		3,124.00
Total current assets		68,423.94
Property and equipment:		
Furniture and equipment	4,712.39	
Less: Accumulated depreciation	1,048.50	3,663.89
Total Assets		$ 72,087.83

Liabilities and Capital

Current liabilities:		
Accounts payable - trade		$ 8,467.78
Income taxes withheld from employees		472.80
Accrued sales taxes		2,613.55
Portola Institute - Catalog division		800.00
Other payables		560.00
Total liabilities		12,914.13
Capital:		
Surplus, June 1, 1970	$ 51,023.56	
Net income, Exhibit 2	8,150.14	59,173.70
Total Liabilities and Capital		$ 72,087.83

This Balance Sheet as at July 31, 1971 and the accompanying Statement of Income were not audited by me and, accordingly, I cannot express an opinion of them.

PREPARED WITHOUT AUDIT

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July 31, 1971

Footnote to Balance Sheet

The Internal Revenue Service is presently auditing Portola Institute's Whole Earth division regarding possible assessment of income taxes on net income from operations of its catalog department. Counsel for Portola Institute believes there will be no such income taxes due, however.

Exhibit 2

VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

Whole Earth Truck Store, Division of
Portola Institute
Statement of Income
June 1, 1971 to July 31, 1971
(Unaudited)

Income:		
Sales: Catalogs		$ 23,962.32
Mail order and store		34,311.09
		58,273.41
Estimated cost of merchandise sold:		
Catalogs	$ 7,000.00	
Mail order and store	24,018.14	31,018.14
Gross profit		27,255.27
General and administrative expenses:		
Salaries	7,858.82	
Distribution	7,502.12	
Outside services	275.25	
Operating supplies	176.33	
Depreciation	248.00	
Travel and automobile expenses	35.04	
Rent	1,300.00	
Telephone	101.66	
Utilities	343.58	
Office supplies and expenses	122.61	
Legal and accounting	300.00	
Repairs and maintenance	52.70	
Cash (over) or under	806.63	
Taxes and licenses	64.47	
Dues and meetings	100.00	19,287.51
Net operating income		7,967.76
Miscellaneous income:		
Contributions	88.35	
Other	94.03	182.38
Net Income		$ 8,150.14

The Balance Sheet as at July 31, 1971 and this Statement of Income were not audited by me, and accordingly, I cannot express an opinion of them.

PREPARED WITHOUT AUDIT

VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

Exhibit 3

Whole Earth Truck Store, Division of
Portola Institute
Source and Application of Funds
June 1, 1971 to July 31, 1971
(Unaudited)

Sources of funds:	
Income from operations	$ 8,150.14
Add, Depreciation taken	248.00
Total	$ 8,398.14
Application of funds:	
Increase in working capital	$ 8,398.14

This statement has not been audited by me and, accordingly, I cannot express an opinion of it.

PREPARED WITHOUT AUDIT